



DEPARTMENT OF THE NAVY  
OFFICE OF THE CHIEF OF NAVAL OPERATIONS  
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OPNAVINST 4441.12E  
N4  
14 Mar 2022

OPNAV INSTRUCTION 4441.12E

From: Chief of Naval Operations

Subj: RETAIL SUPPLY SUPPORT OF NAVAL ACTIVITIES AND OPERATING FORCES

Ref: (a) DoDM 4140.01 Volumes 1-12, DoD Supply Chain Materiel Management Procedures  
(b) OPNAVINST 4000.57H  
(c) OPNAVINST 3000.12B  
(d) COMNAVAIRFOR 4790.2D  
(e) COMNAVSUPSYSCOM P-485  
(f) OPNAVINST 4400.9D  
(g) DoD 7000.14-R, Department of Defense Financial Management Regulation, May 2019

Encl: (1) Supply Support Goals for Naval Activities and Operating Forces  
(2) Retail Supply Support Definitions  
(3) Detailed Elements of Retail Supply Support Policy

1. Purpose.

a. To provide basic Navy policy governing the management of Navy-owned retail maintenance related inventories at Navy activities and Marine Corps aviation units and specify minimum supply system performance goals, found in enclosure (1).

b. To incorporate Department of Defense (DoD) retail inventory management policy per references (a) through (g).

c. This instruction has been revised significantly and must be reviewed in its entirety. It incorporates the inventory management guidance provided in reference (a), commonly referred to as the 'Super-Reg' and provides guidance on establishing support goals for measuring the performance of the Navy supply chain.

2. Cancellation. OPNAVINST 4441.12D.

3. Scope and Applicability.

a. This instruction applies to the activities mentioned within subparagraphs 3a(1) through 3a(3) (exceptions are listed in 3b(1) through 3b(3)):

- (1) Those that maintain Navy-owned secondary item inventories;
  - (2) Those commands and activities participating in or responsible for, the development and maintenance of allowance lists; and
  - (3) Contractors that hold Navy-owned material through a material management contract or maintenance contract.
- b. The policies of this instruction do not apply to the items mentioned within subparagraphs 3b(1) through 3b(3), which are specifically governed by separate policy guidance:
- (1) The Trident weapons system which consists of Trident submarines, both ballistic missile submarines and guided missile submarines, their associated Trident 2 strategic weapon system or attack weapon system and an integrated logistics shore support system, which are governed by reference (b);
  - (2) Material owned by a contractor providing supply support services to the Navy;
  - (3) Requirements determination for principal end items (such as vehicles and aircraft), ammunition, bulk petroleum, nuclear reactor plant, inert nuclear, design-controlled cryptographic material and strategic weapons systems.
4. Definitions. The key terms and definitions that pertain to this instruction are listed in enclosure (2).
5. Objective. The primary objective of the Navy supply system is to provide the requisite support to maintain and sustain the Navy's warfighting capabilities. Measuring customer wait time (CWT) allows assessment to enable improvement of the supply chain segments, including Navy wholesale and retail inventories, with Defense Logistics Agency (DLA) and other Service inventories to achieve a weapon system's operational availability and other established support goals by maximizing cost effectiveness. Particular support goals are listed in enclosure (1).
6. Policy. An overview of this instruction's policy is listed within subparagraphs 6a through 6g. Detailed elements of the policy items are found in enclosure (3).
- a. Retail inventory levels are categorized as either consumer or intermediate. Navy's implementation of Defense Management Resource Decision 901 and Defense Management Resource Decision 981 resulted in the elimination of intermediate level inventories within the continental United States (CONUS), except for some high usage load list materials, hard to obtain 9 cognizance code material and local purchase items.

- b. Commander, Naval Supply Systems Command (COMNAVSUPSYSCOM) is the Navy's agent for setting policy and developing procedures for the global Navy supply system including material positioning, distribution and requisitioning.
- c. Consumer inventory levels will be tailored to meet established site and weapon system operational readiness goals.
- d. Intermediate inventory levels will be tailored to meet established site and weapon system operational readiness goals.
- e. All inventory models to be used in implementing these policies must be accredited by Deputy Chief of Naval Operations, Integration of Capabilities and Resources, Assessments Division (OPNAV N81) and approved by the Deputy Chief of Naval Operations, Fleet Readiness and Logistics, Director, Logistics (OPNAV N4L).
- f. Asset visibility of all Navy cognizance assets; availability to customers of consumer level inventories managed by COMNAVSUPSYSCOM; ashore inventory accounts of accountable officers; excess material identification and disposition; and operating space items and end items of support equipment.
- g. All requests for deviations from the policies stated here must be forwarded, via the chain of command, to OPNAV N4L for adjudication.

7. Action.

- a. COMNAVSUPSYSCOM must develop the implementing procedures in coordination with the applicable budget submitting offices and appropriate commands and issue or revise procedures as necessary to ensure compliance with this instruction.
- b. All major commands will include a compliance review of the policies stated in this instruction in command inspection programs.

8. Records Management.

- a. Records created as a result of this instruction, regardless of format or media, must be maintained and dispositioned per the records disposition schedules located on the Department of the Navy (DON) Assistant for Administration, Directives and Records Management Division portal page at <https://portal.secnave.navy.mil/orgs/DUSNM/DONAA/DRM/Records-and-Information-Management/Approved%20Record%20Schedules/Forms/AllItems.aspx>.
- b. For questions concerning the management of records related to this instruction or the records disposition schedules, please contact the local records manager or the OPNAV Records Management Program (DNS-16).

9. Review and Effective Date. Per OPNAVINST 5215.17A, CNO N4 will review this instruction annually around the anniversary of its issuance to ensure applicability, currency and consistency with Federal, DoD, Secretary of the Navy and Navy policy and statutory authority using OPNAV 5215/40 Review of Instruction. This instruction will be in effect for 10 years, unless revised or cancelled in the interim and will be reissued by the 10-year anniversary date if it is still required, unless it meets one of the exceptions in OPNAVINST 5215.17A, paragraph 9. Otherwise, if the instruction is no longer required, it will be processed for cancellation as soon as the need for cancellation is known following the guidance in OPNAV Manual 5215.1 of May 2016.



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Releasability and distribution:

This instruction is cleared for public release and is available electronically only via DON Issuances Web site, <https://www.secnave.navy.mil/doni/default.aspx>.

SUPPLY SUPPORT GOALS FOR NAVAL ACTIVITIES AND OPERATING FORCES

1. CWT Goals. The performance measure that is a collective indicator of supply system response time for all customer demands from the time the material requirement is presented until the material is received by the customer.

a. Application. The goals specified in subparagraphs 1a(1) through 1a(3) of this enclosure only apply to consumer levels supporting local customers.

(1) One Hour Goal. A 1-hour goal is established for every activity holding consumer level inventories to make issue priority group (IPG) 1 material requirements available to the customer. Reference (d) specifies a 1-hour goal for aviation IPG 1 material and reference (e) specifies a 1-hour goal for IPG 1 material aboard ships. This goal applies if the customer and the supporting activity are located at the same site, such as aircraft squadrons at air stations.

(2) Two Hour Goal. A 2-hour goal is established for every activity holding consumer level inventories to make IPG 2 material requirements available to the customer. This goal applies if the customer and the supporting activity are located at the same site such as aircraft squadrons at air stations.

(3) Twenty-Four Hour Goal. A 24-hour goal is established to make IPG 1 and IPG 2L material requirements available, if the customer and supporting activity are not collocated (on the same ship or air station), but the customer is either within a 35-mile radius of the supporting supply activity or is in the normal daily local delivery zone.

b. Logistics Response Time (LRT) Goals. LRT measures the off-station and off-ship response times, including maintenance related, direct turnover requirements and stock replenishment requisitions. LRT is dependent upon IPG and associated time-definite delivery (TDD) standards. Navy goal is that 85% of orders achieve TDD standards. TDD standards assume material is available at the wholesale level.

c. TDD Standards.

(1) If subparagraphs 1a(1) through 1a(3) above are not applicable, then TDD standards must be applied. TDD standards are specified in reference (d) and can be found at <https://www.acq.osd.mil/log/SCI/>.

(2) TDD standards also apply to all IPG 3 requirements for end use, direct turnover and stock replenishment, except for activities covered by reference (d), for which the 24 hour standard exists.

d. Intermediate and Wholesale Level. The TDD standards specified in reference (a) are in effect for intermediate and wholesale levels of inventory.

2. Supply Availability Goals. The performance measures that represent how often material is available for issue when a requisition is received.

a. Wholesale Level.

(1) For systems where multi-indenture multi-echelon readiness based sparing (RBS) is used to compute wholesale and retail allowances, wholesale levels will be set according to the RBS results with a goal of 100% on-hand or on order to support a weapon system's operational availability. Ability to meet this goal and underlying RBS parameters will be reviewed annually by COMNAVSUPSYSCOM. Multi-indenture multi-echelon recommendations will be added to the Program Office or outfitting budget for appropriated funds to support the allowance.

(2) For all systems not covered in subparagraph 2a(1), the goal for wholesale Supply Material Availability (SMA) is 85%.

b. Retail Level. The measures mentioned in subparagraphs 2b(1) through 2b(5) of effectiveness are used at the retail level:

(1) Gross Effectiveness. Unless otherwise specified in table 2-1 the aggregate goal for consumer level (shipboard, air station, etc.) gross effectiveness is 65%. Type commanders are authorized to specify higher effectiveness goals after obtaining approval from OPNAV N4L via the chain of command.

Ship Type	Gross Effectiveness Goal
Fast Attack Submarines	75%
Submarine Tenders	75%

Table 2-1

(2) Allowance Effectiveness. Measures how closely the output of the allowance product is matched to customer requirements. Allowance effectiveness is calculated by dividing gross effectiveness by net effectiveness. For instance, unless otherwise specified, when the gross effectiveness goal is 65% and the net effectiveness goal is 85%, then the consumer level goal for allowance effectiveness is 76.5%.

(3) Net Effectiveness. The consumer level goal for net effectiveness is 85%.

(4) Coordinated Shipboard Allowance List (COSAL) Effectiveness. The consumer level goal for COSAL Effectiveness is 70%.

(5) The net effectiveness goal for activities outside the continental United States (OCONUS) holding intermediate level inventory is 85%.

c. First Pass Effectiveness. First Pass Effectiveness is defined as the percentage of time in which requisitions in direct support of organizational maintenance are filled on the first pass through the supply system (i.e., the requisition is filled and not held in a backorder status). The wholesale SMA (85%) and retail level gross effectiveness (65%) goals can be used to compute a first pass effectiveness goal of 94.75%.

RETAIL SUPPLY SUPPORT DEFINITIONS

1. CWT. A comprehensive measure of the time elapsed between the submission of a customer order and the customer receipt of that order. CWT, combining on board or on station retail issues from stock and direct turnovers, is a collective indicator of responsiveness throughout the entire supply chain, regardless of source of supply, for all customer demands related to maintenance. CWT includes LRT for direct turnover requisitions and is dependent on timely fulfillment of resupply requisitions.

2. LRT. The portion of CWT that measures elapsed time from the date of the requisition to the time the material is received and reported to the DLA Transaction Services. It is made up of the response time for off-station and off-ship requirements. LRT consists of the elements mentioned within subparagraphs 2a through 2d:

a. Source. The time measured from the Julian date of the customer requisition to the Julian date the requisition is accepted in DLA Transaction Services.

b. Supplier.

(1) For CONUS orders, the time from when the material manager receives the requisition and subsequently passes a release order to the storage activity, through the time that the storage activity takes to pick, pack and release the ordered material to the activity's transportation office, until the time the material is shipped out of the storage site.

(2) For OCONUS orders, the same time as CONUS orders if the shipment does not go through a designated CONUS container consolidation point prior to being shipped to an aerial or sea port. If the shipment does go through a container consolidation point, this includes the time to deliver the shipment to the container consolidation point and the container consolidation point processing time. (A container consolidation point either consolidates shipments on an air pallet or containerizes shipments for transportation to overseas areas.)

c. Transporter.

(1) For CONUS orders, the time from when the shipment is released by the storage activity until the shipment is receipted (i.e. received) by a CONUS consignee.

(2) For OCONUS orders, the time from when the shipment is released by the container consolidation point or shipping depot (if no container consolidation point is involved) through the port of embarkation until the shipment is released by the port of debarkation.

d. Theater.



(1) For CONUS orders, the time from when the CONUS consignee receives the material until the customer acknowledges and posts receipt of ordered material. It includes Material Processing Center hold time and receipt processing time.

(2) For OCONUS orders, the time from when the point of debarkation releases the materiel for internal theater distribution until the OCONUS customer acknowledges receipt. It includes Material Processing Center hold time and receipt processing time.

3. Wholesale Level Inventory. Per reference (a), the highest level of organized DoD supply that procures, repairs and maintains stocks to resupply the retail levels of supply and to fill consumer demands not filled by retail levels of supply. Synonymous with wholesale supply, wholesale level of supply, wholesale echelon and national inventory. Inventory for which the designated inventory manager has total asset visibility at the national level and exercises unrestricted asset control to meet worldwide inventory management responsibilities.

4. Retail Level Inventory. Level of inventory below the wholesale level, either at the consumer level for purpose of directly providing material to end users or at the intermediate or region level for the purpose of supplying consumer levels or end users in a geographical area.

a. Consumer Level Inventory. That part of the retail inventory, usually of limited supply distribution, for the sole purpose of internal consumption or utilization.

b. Intermediate Level Inventory. Any level of inventory required between the consumer and wholesale levels of inventory. It is held for support of a defined geographic area or for tailored support of specified consumer organizations or activities. Only limited intermediate inventories are authorized at CONUS COMNAVSUPSYSCOM fleet logistics centers, consisting of high usage load list items, casualty and equipment repair material, gases and cylinders and local purchase items. OCONUS Navy depots are authorized to hold full intermediate levels.

5. Mobile Inventory. An integral inventory under the physical control of a mobile military unit or activity whose primary mission requires continuing geographic relocation. To qualify, this inventory must accompany the unit on a continuing basis and the unit must have the capability to achieve the mobility as a matter of routine. Mobile inventory may be either consumer or intermediate levels. Pickup kits are an example of mobile inventory.

6. Demand Based Item. Items that have a relatively high issue rate. Normally, an item that experiences a demand frequency of two or more in the most recent 6 months and continues to have at least one demand every 12 months afterwards. The demand based item quantity is that portion of the requisitioning objective that supplements the authorized allowance and or an authorized load list quantity; if a demand based item is not an authorized allowance or an authorized load list item, the entire quantity of that requisitioning objective is considered to be demand based item stock. Demand based items are stocked based on forecasted usage; for limited demand items, stocking is based on financial or military essentiality considerations.

Averaging or calculation of demands for similar equipment or organizations to establish stocking criteria does not qualify for identification as a demand based item. However, demand forecasts may be a factor of program data.

7. Non-Demand Based Item. The two types of non-demand based items are insurance and battle spares and program based. A non-demand based item is one that has no previously recorded demands, but qualifies for stocking based on other criteria. Typically, the decision to stock is based on program related data or weapon system essentiality data rather than previously recorded demands. Inventory levels for non-demand based items are usually developed by system commands, monitored by COMNAVSUPSYSCOM and reflected in allowance or stock lists.

8. Allowance Lists. A list or document specifically tailored to an activity for support of maintenance and or supply mission. Examples include:

a. Aviation Consolidated Allowance List. A consolidated listing of consumable, aviation depot-level repairables (DLR) and fleet-level repairables fixed allowances required for afloat and deployable activities (ashore or afloat) to perform aviation organizational and intermediate level maintenance in support of assigned aircraft.

b. Shorebased Aviation Consolidated Allowance List. A consolidated listing of components, repair parts, consumable items, DLR and fleet-level repairables items required to support operational and maintenance missions at designated Naval and Marine Corps air stations.

c. COSAL for Shore-Based Activities. A consolidated listing of components, repair parts, consumable items, DLR and fleet-level repairables items required to support the organization-level maintenance of the equipment authorized for a shore activity. Additionally, it provides allowances to intermediate level maintenance activities that support their corrective and planned maintenance missions.

d. COSAL. A consolidated listing of the equipment, components, repair parts, consumables and operating space items required for an individual ship to perform its operational mission.

e. Forward Deployed Load List. An allowance list funded using either Navy Working Capital Fund or appropriated dollars (based on demand) designed to support forward deployed Naval forces within a specific geographic area. Navy Working Capital Fund funds support forecastable (high sales volume material) and appropriated funds will be used for critical items approved by COMNAVSUPSYSCOM Supply Chain Management, Policy and Performance (SUP-04) that support readiness. Forward Deployed Load List material is embedded at OCONUS COMNAVSUPSYSCOM fleet logistics centers. The Forward Deployed Load List is updated annually. Forward Deployed Load Lists have superseded the previous operational support inventory stockage list.

f. Tender Load List (TLL). A consolidated listing of repair parts and consumables required to support the mission of specific units supported by an individual tender or shore activity. Afloat, the purpose of the TLL is to act as the initial point of entry and source of supply for local and homeported submarine storeroom repair part requisitions, submarine direct turnover requisitions and submarine tender intermediate maintenance activity requisitions. Ashore TLLs are positioned at Pearl Harbor, Puget Sound, New London, Diego Garcia and Portsmouth. TLLs are budgeted using Navy Working Capital Fund General Consumables (BP28) and Ship Repairables and Consumables (BP81). TLLs will be updated on a two-year cycle unless otherwise requested by fleet commanders and type commanders.

g. Fleet Issue Load List, High-Usage Load List and Operational Availability Deck Load. A consolidated listing of items positioned on Naval Fleet Auxiliary Force ships to provide supply support of deployed fleet units, less items peculiar to submarines and Navy-managed aviation cognizance material.

h. Table of Allowance. A specially prepared list of equipment, components, repair parts, consumables and operating support items to support Navy mobile activities, other than ships and aircraft, such as Navy cargo handling battalions, naval mobile construction battalions, fleet hospitals, Navy sea-air-land teams and other special combat units.

i. Provisioning Lists. A list of newly provisioned items that may be stocked, as documented on a preliminary allowance list, for an interim period (normally prior to the Navy material support date) by specifically designated retail level inventory activities prior to receiving actual demands.

j. Installation and Checkout Spares List. A list of items required for the installation, testing and check out of a system or equipment. There are three types of installation and checkout material:

(1) Installation material is normally consumed as the system or equipment is installed. These items include prefabricated hardware foundations and fittings, cables, cable connectors, pins, junction boxes, seals, templates and gaskets.

(2) Special tools and test equipment are items that assist in testing or isolating faults in the system or equipment being installed.

(3) Installation and Checkout spares refer to spare and repair parts, required to operate and maintain a system during its testing period.

9. Allowance Models. Mathematical algorithms for determining stocking quantities specifically tailored to an activity for support of the maintenance and or supply mission of that activity. Three types of allowance models have been developed for computing Navy activity allowance lists:

a. Fixed Protection Level. Computes allowances on the basis of a single factor demand. This technique provides the same level of protection to all items having the same demand rate. Current fleet issue load list, TLL and COSAL for shore-based activities range and depth computations are based on specific effectiveness goals.

b. Variable Protection Level. Computes allowances on the basis of several factors (e.g., demand, item price and item essentiality). This technique provides higher protection levels for more essential items having low unit prices while providing lower protection levels for less essential, high cost items. This technique is constrained by the availability of variable essentiality data. A variable protection level approach is implemented in demand based models such as the Fleet Logistics Support Improvement Program.

c. Optimal Sparing Methodology. Computes allowances to achieve a given level of performance at least cost; or conversely, to achieve a maximum level of performance at a given cost. These allowances will be developed to meet operational availability goals. An optimal sparing methodology is implemented in RBS.

10. Gross Effectiveness. The percentage of total demands, for both stocked and allowed items and non-stocked items, received and satisfied from stock on hand at any given echelon of inventory. Gross effectiveness can be calculated as total repair part issues divided by total repair part demands.

11. Allowance Effectiveness. The percentage of total demands received from both stocked and allowed items for which there was a corresponding allowance quantity. Allowance effectiveness can be calculated as gross effectiveness divided by net effectiveness.

12. Net Effectiveness. The percentage of total demands received for stocked items and satisfied from stock on hand at any given echelon of inventory. Net effectiveness can be calculated as total repair part issues divided by the sum of repair part issues and repair part demands that are not in stock.

13. COSAL Effectiveness. The percentage of demands for repair parts having a COSAL Allowance divided by all repair part demands. COSAL effectiveness can be calculated as the sum of repair parts issues with a COSAL allowance and not in stock repair parts with a COSAL allowance divided by total repair part demands.

14. Operational Availability. Per reference (c), operational availability is the probability that a weapon system or individual equipment will be ready to perform satisfactorily in an operating environment when called for at a random point in time. Operational availability depends on reliability as measured by mean time between failure; maintainability (i.e., mean time to repair); supportability, as measured by mean logistics delay time; and operating time (e.g., flight hours, steaming hours or equipment operating periods). Operational availability can be calculated as system up time divided by total time (the sum of up time and down time). Similarly, this can be

expressed as the mean time between failures divided by the sum of the mean time between failures, mean time to repair and mean logistics delay time.

15. RBS. RBS is a process to determine range, depth and location of spare parts to support readiness objectives at least cost given the reliability and maintainability characteristics of a system or equipment. RBS is designed to achieve Chief of Naval Operations (OPNAV) full mission capable readiness objectives set for each type, model and series of aircraft and operational availability set for each weapon system. RBS techniques will be applied for all new non-nuclear and non-fleet ballistic missile major systems (acquisition category 1, 2, 3). Projected response times from the provider (i.e., COMNAVSUPSYSCOM Weapon Systems Support (WSS)), DLA and performance based logistics) or forward deployed site should be used for each item.

16. Secondary Items. An item of supply not defined as a principal item and includes repairable components, subsystems and assemblies, consumable repair parts, bulk items and material, subsistence and expendable end items, including clothing and other personal gear.

17. SMA. The percent of demands received and satisfied from wholesale inventory against the total count of wholesale requisitions. SMA can be calculated as total wholesale issues divided by total wholesale demands.

DETAILED ELEMENTS OF RETAIL SUPPLY SUPPORT POLICY

1. Retail inventory levels are categorized as consumer or intermediate. Navy's implementation of Defense Management Resource Decision 901 and Defense Management Resource Decision 981 resulted in the elimination of intermediate level inventories within CONUS (except for some high usage load list materials, hard to obtain 9 cognizance code material and local purchase items). Intermediate levels are authorized at overseas COMNAVSUPSYSCOM fleet logistics centers. Any proposed changes to intermediate level authorized activities will be forwarded to OPNAV N4L for approval. COMNAVSUPSYSCOM must approve development of consumer level inventories.
2. COMNAVSUPSYSCOM is the Navy's agent for developing procedures for the global Navy supply system including allowance establishment, material positioning, distribution and requisitioning. COMNAVSUPSYSCOM will maintain a database holding the current authorized retail allowance, by stock number, for all surface ships, submarines, aircraft carriers and shore stations. Requisitioning channels are instituted by COMNAVSUPSYSCOM. Changes in requisitioning channels must be approved by COMNAVSUPSYSCOM. Requisitioning channels will generally be between the consumer level and the wholesale system. However, customer requisitions can be filled from any consumer, intermediate or wholesale level inventory depending on the availability of material, criticality of the requirement and the urgency of need. Customer requisitions will normally be filled from the closest source of supply to reduce supply system costs. All requisitions will be electronically submitted via DLA Transaction Services to Navy Enterprise Resource Planning. Sourcing logic within Navy Enterprise Resource Planning will determine the closest source of supply for afloat units.
3. Consumer inventory levels will be tailored to meet established site and weapon system support goals. These levels may consist of readiness-based, demand-based, limited demand and non-demand-based items. As specified by COMNAVSUPSYSCOM WSS, aviation consolidated allowance list, COSAL and COSAL for shore-based activities, TLL and SHORCAL allowance products are routinely updated to ensure optimal allowancing. Aviation retail requirements and allowance lists for mobile units will be reviewed following schedules developed by the fleet commanders and COMNAVSUPSYSCOM working with and reviewed by SUP-04.
4. The policies mentioned within subparagraphs 4a through 4i apply to both intermediate and consumer level inventories:
  - a. Wholesale and retail inventories may be collocated or commingled provided separate line item records are maintained.
  - b. Levels of inventory for demand-based items will be computed by Navy standard inventory policies approved by the Office of the Secretary of Defense) as specified in reference (a).

c. Mission essentiality will be the primary criterion used in the selection and approval of the non-demand-based items stocked on a continuing basis.

d. Requests to carry items not authorized (i.e., by range or depth) by standard demand based and non-demand based stocking policies, OPNAV N4L approved inventory models or other OPNAV N4L approved special support initiatives, must be justified in writing. Additionally, the request must be favorably endorsed by the budget submitting office and submitted to COMNAVSUPSYSCOM Assistant Commander for Supply Chain Management Policy and Performance (SUP N4). This includes additives to allowances funded under the Navy Working Capital Fund (Supply Management). COMNAVSUPSYSCOM will liaise directly with the budget submitting office or designated point of contact to determine specific requirements (i.e., by national stock number, quantity, etc.) including plans, budgets, procurement lead times and direct the requesting activity on procedures and timing for the ordering of additive requirements.

e. Consumer retail inventory range and depth of stock will be based on established site and weapon goals linked to operational availability for weapons-related items to the maximum extent possible. CWT goals for non-weapons-related items are provided per reference (a).

f. Except for authorized non-DLR selected item management, demand level adjustments for consumable items and COMNAVSUPSYSCOM WSS generated allowance and stock list updates, all new inventories and inventory level changes must be programmed by the acquisition program through the baseline assessment memorandum or program objective memorandum or both, processes to identify funding requirements and provide for a budget and procurement lead times. These actions must be coordinated with COMNAVSUPSYSCOM WSS prior to any ordering of the wholesale level inventory. Any exceptions not concurred with by COMNAVSUPSYSCOM WSS or other deviations from this requirement must be approved by OPNAV N4L.

g. All items will have both a reorder objective and a reorder point established. An economic reorder policy considering the investment cost and risk of stock out must be established for demand-based items. For fixed allowances, the reorder objective is the allowance quantity and the reorder point, minus one unit or one minimum replacement unit (i.e., a one for one reordering policy). For requirements computed to support specific activities (i.e., COMNAVSUPSYSCOM FLC or ship) computed requirements, a non-unit economic order quantity or operating level, may be computed so that the reorder objective equals the sum of the operating level and reorder point (DLR and fleet level repairable) will continue to be managed under a one-for-one reorder policy to allow COMNAVSUPSYSCOM WSS carcass tracking and to meet the repairable item management requirements of reference (f).

h. COMNAVSUPSYSCOM will optimize individual non-demand based allowances for those items that exist in more than one allowance or load list for the same stocking activity or at multiple sites within a region under COMNAVSUPSYSCOM management.

i. Inventory records will be coded according to their reason for stocking, as specified in reference (a).

5. All inventory models to be used in implementing these policies must be approved by OPNAV N4L. Selected item management items afloat will have an order and shipping time level authorized. Inventory models used to develop mobile inventories will provide for a variable endurance level, subject to concurrence by OPNAV N4L. No separate order and shipping time level is authorized for these endurance levels. Other parameters for all models will be developed by COMNAVSUPSYSCOM in coordination with affected budget submitting offices for approval by OPNAV N4L.

6. COMNAVSUPSYSCOM WSS will be provided total asset visibility of all Navy cognizance assets held at activities with transaction item reports capabilities. Additionally, retail assets managed within Navy Enterprise Resource Planning will have total asset visibility; Navy Enterprise Resource Planning business rules apply for these assets available for redistribution.

7. Consumer level shore based inventories will be available to non-partner customers only when the inventory level is above the reorder objective. However, all issue priority designators 01, issue priority designators 02 and issue priority designators 03 not mission capable supply, partial mission capable supply or casualty report requirements will be available to all customers. All IPG 1 bearer walkthroughs will be filled from available inventories.

8. Except as provided in reference (g), all inventories at shore activities will be included in the inventory accounts of accountable officers. All mobile inventories maintained with automated data processing systems will be included in the inventory accounts of accountable officers.

9. Excess material will be identified and disposition made per reference (a).

10. Operating space items and end items of support equipment will be authorized in specific quantities determined by the appropriate weapon product support manager. These items will be expended to an end-use appropriation.

11. All requests for deviations from the policies stated here must be forwarded, via the chain of command, to OPNAV N4L for approval. Fleet commanders retain the prerogative to modify afloat and aviation allowances to meet unusual situations for a period not to exceed 6 months, but must coordinate modifications to range and depth with COMNAVSUPSYSCOM WSS.